

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

## MARY JANE MEUNIER,

Plaintiff,

V.

## GROUP HEALTH COOPERATIVE, et al.,

## Defendants.

C13-1046 TSZ

## ORDER

THIS MATTER comes before the Court on Plaintiff's motion to conduct limited discovery of Defendant Aetna, docket no. 24. Having considered the motion and all pleadings filed in support of and opposition to the motion, the Court enters the following Order.

## Background

Plaintiff Mary Jane Meunier is the widow-beneficiary of her husband, David, who was employed by Defendant Group Health Cooperative (“GHC”). Amended Complaint, docket no. 29, at ¶¶ 2, 10. David began working for GHC on November 10, 2008. Id. at ¶ 2. On November 19, 2008, he was diagnosed with brain cancer and he stopped working

1 shortly thereafter. Id. at ¶¶ 11, 13. David had surgery and was on a leave of absence  
2 until GHC terminated his employment in May 2009. Id. at ¶ 13. GHC deducted  
3 premiums for life insurance coverage from David's pay and contributed towards David's  
4 basic life insurance during the period January 1, 2009, through February 14, 2009. Id. at  
5 ¶ 17. Following David's death in April, 2010, Plaintiff contacted GHC regarding  
6 David's life insurance coverage and eventually received a copy of the summary plan  
7 description ("SPD") in April, 2011. Id. at ¶ 18.

8 In July, 2011, GHC filed a claim for David's life insurance benefits on behalf of  
9 Plaintiff with Defendant Aetna Life Insurance Company ("Aetna"), the GHC plan  
10 insurer. Id. at ¶ 20. Aetna denied the claim for benefits, stating that David did not satisfy  
11 the 30-day continuous service requirement of the plan (as he had only worked 12 days  
12 before going on leave) or the active work rule (requiring an employee to return to work  
13 for one full day if away from work on the date benefits become eligible) and that  
14 therefore David was ineligible for coverage. Administrative Record ("AR") at  
15 AET000478-481. Plaintiff is suing GHC and Aetna for breach of fiduciary duty and  
16 GHC for interference with benefits under the Employee Retirement Income Security Act  
17 ("ERISA"). Plaintiff has moved to conduct limited discovery of Aetna to develop  
18 additional facts not contained in the administrative record.

19 **Discussion**

20       **A. Standard of Review under ERISA**

21       The standard of review under ERISA for denial of benefits is *de novo*, "unless the  
22 benefit plan gives the administrator or fiduciary discretionary authority to determine  
23

1      eligibility for benefits or to construe the terms of the plan.” Firestone Tire & Rubber Co.  
2      v. Bruch, 489 U.S. 101, 115 (1989). If the plan confers “discretionary authority as a  
3      matter of contractual agreement, then the standard of review shifts to abuse of  
4      discretion.” Abatie v. Alta Health & Life Ins. Co., 458 F.3d 955, 963 (9th Cir. 2006).

5              Abuse of discretion applies even if the administrator has a conflict of interest, such  
6      as when an insurer acts as both the plan administrator and the funding source for benefits.  
7      Id. at 965. But “if a benefit plan gives discretion to an administrator or fiduciary who is  
8      operating under a conflict of interest, that conflict must be weighed as a ‘facto[r] in  
9      determining whether there is an abuse of discretion.’” Id. (citing Firestone, 489 U.S. at  
10     115).

11              Generally, a Court “may review only the administrative record when considering  
12     whether the plan administrator abused its discretion.” Id. at 970. However, when a  
13     conflict exists, the Court “may, in its discretion, consider evidence outside the  
14     administrative record to decide the nature, extent, and effect on the decision-making  
15     process of any conflict of interest.” Id.

16              **B.      Aetna’s Discretion and Potential Conflict of Interest**

17              In this case, the life insurance plan explicitly grants to Aetna the discretionary  
18     authority to “determine whether and to what extent employees and beneficiaries are  
19     entitled to benefits; and construe any disputed or doubtful terms of this policy.” AR at  
20     AET000521. Therefore the appropriate standard of review under Firestone and Abatie is  
21     abuse of discretion.

1 Plaintiff claims that Aetna has a conflict of interest because Aetna both  
2 administers and insures the GHC life insurance plan. Plaintiff's Motion, docket no. 24, at  
3 3. As a result, Plaintiff contends that the Court may consider evidence outside of the  
4 administrative record regarding the nature and effect of the conflict of interest on Aetna's  
5 decision to deny benefits. It is within the Court's discretion whether or not to permit  
6 such discovery. In addition, the Court notes that Plaintiff also has a claim against GHC  
7 for interference with benefits under ERISA and discovery directed at Aetna could  
8 produce information relevant to that claim. Therefore the Court will allow Plaintiff to  
9 conduct limited discovery addressing Aetna's conflict of interest and information relevant  
10 to Plaintiff's second ERISA claim. However, Plaintiff's pending discovery requests are  
11 not limited to these matters and Plaintiff's motion will be granted only in part. Aetna is  
12 directed to respond to Plaintiff's (1) Request to Admit Nos. 1-5, 8, 12, 16, and 23-24; (2)  
13 Interrogatory Nos. 8-14; and (3) Production Request H, L, M, N, O, S, T, and V.

14 **Conclusion**

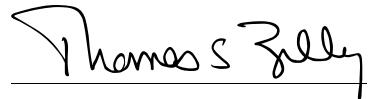
15 The Court will review the merits of Plaintiff's case against Aetna under an abuse  
16 of discretion standard. The only evidence outside of the administrative record the Court  
17 may consider on this claim is limited to assessing the nature, extent, and effect of any  
18 conflict of interest Aetna may have. The Court GRANTS in part Plaintiff's motion to  
19 conduct discovery of Aetna and DIRECTS Aetna to respond to the pending discovery  
20 requests specifically identified above within 30 days from the date of this Order. The  
21 Court DENIES the remaining motion for limited discovery.

22

23

1 IT IS SO ORDERED.  
2  
3

Dated this 15th day of November, 2013.

4   
5

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

THOMAS S. ZILLY  
United States District Judge